

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA

vs.

SCOTT M. GAIB

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Case No. 2:10 CR 167 (1)
JUDGE FROST

FACTUAL STATEMENT IN SUPPORT OF GUILTY PLEAS TO COUNTS 1 AND 11

As charged in Count 1 of the Indictment, Defendant Scott M. Gaib combined with certain other persons to purchase residential properties in and around Central Ohio during the years 2005, 2006 and 2007. In so doing, he would use exaggerated and inflated real estate appraisals in order to document to prospective lending institutions an exaggerated worth of the properties involved. Further, he and co-conspirators would misrepresent his credit worthiness to lending institutions in order to assist in achieving approval of excessive mortgage loans. They would also misrepresent his intention to reside at the properties being purchased. Finally, Scott Gaib and other conspirators would and did receive substantial monies – “kickbacks” – directly and indirectly from the proceeds of the excessive mortgage loans, which “kickback” monies were concealed from the lending financial institutions.

Properties involved in this conspiracy include those located at 3260 Kirkham Road in Upper Arlington, 638 Covered Bridge Drive in Delaware, 4918 Augusta Woods Court in Westerville, 7267 Macbeth Drive in Dublin, 1450 East Broad Street in Columbus, 1355 Bryden Road in Columbus, and both 794 and 818 Riverbend Avenue in Powell. All of these properties are within the Southern District of Ohio.

Specifically, in conjunction with the financing for Defendant Scott Gaib's purchase of real estate located at 1355 Bryden Road in Columbus, the lending institution involved wired funds interstate to the title agency for the closing. On October 10, 2006, Scott Gaib transferred \$77,971.71 of those funds into National City Bank account number 982454975, a bank account that he controlled. Gaib then and there well knew that these funds had been criminally derived in that he had fraudulently misrepresented his credit worthiness to the lender and also had concealed from the lender his intended receipt of those funds, in violation of the federal wire fraud statute. Accordingly, his transfer of those funds into his bank account constitutes a money laundering violation as charged in Count 11 of the Indictment.

That completes my factual statement, Your Honor.